

**LEGAL NOTICE**

**STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.**

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1<sup>st</sup> Floor, LaSalle Building, 617 North 3<sup>rd</sup> Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, AUGUST 5, 2008**, upon the application of **KCS RESOURCES, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Haynesville Zone, Reservoir D and the Cotton Valley Formation, Reservoir A**, in the Caspiana Field, DeSoto Parish, Louisiana.

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir D.
2. To force pool and integrate all of the separately owned tracts, mineral leases and other property interests located within the proposed unit for the Haynesville Zone, Reservoir D, in accordance with Section 10, Title 30 of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate KCS Resources, Inc. as operator of the proposed HA RD SUA and to authorize KCS Resources, Inc. to drill, designate and utilize the KCS Resources, Inc.-Hunt Plywood No. 11 Well as the unit for HA RD SUA at the location shown on the plat submitted with the application, provided further that said well may be drilled along a path and to a bottom hole location within a one-hundred feet of the path and bottom hole location shown but in no event closer than 330 feet to any unit boundary.
4. To provide that future wells drilled to the Haynesville Zone, Reservoir D, within or outside the proposed unit, be located no closer than 330 feet to any unit boundary and no closer than 660 feet to any well drilling to, completed in, or for which a permit shall have been granted to the Haynesville Zone, Reservoir D.
5. To add the Haynesville Zone, Reservoir D, to the downhole combination authority provided for in the Caspiana Field with respect to the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in any well drilled on the proposed unit to the extent the units for all three zones are identical in size, configuration and ownership.
6. To redefine the Cotton Valley Formation, Reservoir A, INSOFAR AND ONLY INSOFAR AS TO CV RA SUV, as the stratigraphic equivalent of that gas and condensate bearing interval occurring between the depths of 8,535' and 10,910' (electric log measurements) in the Chesapeake Operating, Inc.-SRLT 29 No. 1 Well located in Section 29, Township 16 North, Range 15 West.
7. Subject to the redefinition of the Cotton Valley Formation, Reservoir A, as set forth herein, to ratify and confirm and to continue in full force and effect the unit designated CV RA SUV.
8. To consider such other matters as may be pertinent.

The Haynesville Zone, Reservoir D is to be defined as the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 10,910' and 11,487' (electric log measurements) in the Chesapeake Operating, Inc.-SRLT 29 No. 1 Well located in Section 29, Township 16 North, Range 15 West.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

[www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm](http://www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm).

All parties having interest therein shall take notice thereof.

**BY ORDER OF:**

**JAMES H. WELSH**  
**COMMISSIONER OF CONSERVATION**

Baton Rouge, LA

7/1/08;7/5/08

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**IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.**